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ABSTRACT

This self-contained unit of study on Canada is one of a series which can be used to supplement secondary level courses of social studies, contemporary world problems, government, history, and geography. Developed by teachers, the unit focuses on international relations. A comparative approach is used which stresses understanding Canada from Canadian and American viewpoints. The units contain teacher instructions, all student materials including readings, and suggestions for activities. Students are expected to read the short selections and participate in classroom discussions. Topics of reading selections include "Canada in World Organizations," "Energy Issues," "Canada-U.S. Trade," and "Views of the 1980 Olympics Boycott." Students are also involved in many activities. A few examples follow. In one activity students debate whether or not nuclear technology should be exported. In another activity students play the simulation "Negotiation" that illustrates trade relations between countries. Teachers are encouraged to reproduce any portion of the units for classroom use. Units are planned for one to three weeks but may be extended up to five weeks if teachers want to enrich the content and activities. (Author/RM)

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**STUDY CANADA: INTERNATIONAL OUTLOOK**

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## **PREFACE**

This is one of five units on Canada designed for classroom use in American secondary schools. The units represent the combined effort of classroom teachers, representatives of the Office of the Washington State Superintendent of Public Instruction, university educators and social scientists.

The five units emphasize an overview of Canada and major issues of resources use, international relations, political developments and settlement. A comparative approach is used which stresses understanding Canada from Canadian and American viewpoints. Comparison of Canada and the United States makes it possible to use the units in existing school courses or in separate courses on Canada. Point of view enables students to obtain greater awareness of how people see important North American issues.

The units contain information and class activities. Teachers can follow the units as outlined or adapt them to their own teaching needs. The accounts of various aspects of Canada may be used as a basis for teacher presentations, class discussions or readings by students. Each activity outlines a set of procedures and helpful notes for teaching.

Teachers are encouraged to reproduce any portion of the units for classroom use. Units are planned for one to three week periods, but may be extended up to five weeks if teachers wish to enrich the content and activities.

Units are developed to complement existing courses such as social studies, contemporary world problems, government, history and geography. The units are self-contained to aid teachers in implementing the study of Canada.

The contributions of the participating teachers in researching the information, developing the activities, field testing and revising materials were vital in the process of development. We gratefully acknowledge the contributions from the Office of the Superintendent of Public Instruction for Washington State and the Centre for the Study of Curriculum and Instruction, University of British Columbia.

We thank Canada and the Canadian Consulate General in Seattle for their support and encouragement.

Donald K. Alper  
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July 1980

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## THE CANADIAN OUTLOOK

International outlook is the way people look at the world. An outlook is reflected in the actions and policies of government and the views of people in non-governmental organizations. The Canadian outlook is shaped by expanding world trade, participation in defense alliances, work in peace-keeping efforts and concern about foreign control of the economy. In addition, the outlook is influenced by an appreciation for human rights and environmental issues.

How Canada acts in the world greatly influences American views of Canada. One example was the role of Canada in the Iranian hostage crisis. The successful escape of six Americans from Iran in 1980, which was planned by the Canadian Ambassador, brought high praise from the American people. The view of a Californian from Castro Valley illustrates an American's view of Canadians.

An international outlook is generally expressed by the foreign policy of a country. A foreign policy establishes government guidelines for dealing with other nations and world events.

An independent Canadian foreign policy did not develop until after the First World War. Prior to this event, Canadian foreign policy was guided by the British government since Canada was not a fully independent nation. Canada became involved in World War I because Britain was at war. The major step toward total

### AN AMERICAN'S VIEW OF CANADIANS

*"When I heard the news about what Canada did for those American people in Tehran it gave me a wonderful feeling--the best feeling I've had for a long time. I said 'hell, those Canadians have come right out and stood beside us when so many of our allies have been ducking for cover.'*

*I have quite a strong sense of history you know, and I feel this action is something to put beside the way old Lafayette came right out and helped us in the revolution...this Canadian thing makes you feel a lot better. It's great to feel there are some guys around who will come in and say 'do you want a hand buddy'--and then go and do the damn thing. Maybe when this thing is all over we should draw up a new list of friends and those Canadians should be right on top of the list."*

*--Vancouver Sun, February 2, 1980*

independence in foreign affairs came in 1931 when the British parliament signed the Statute of Westminster. This action gave Canada the legal authority to conduct its

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own foreign policy, something which it had been doing for some time. In 1939 Canada entered the Second World War by an independent declaration, although that decision was taken only one week after Britain declared war on Germany.

In the 1950s and 1960s Canadian foreign policy was similar to that of the United States because of shared concerns for trade and defense by both countries. A more North American outlook was regarded by many as 'natural' because the two countries occupy the same continent, share strong historical and cultural ties, and have similar economic systems. Many referred to Canada's outlook as 'continentalist' because it was similar to the United States and, more importantly, was viewed as serving the economic and defense interests of the United States

In the late 1960s and 1970s Canada's view of its role in the world changed. This resulted from a desire among Canadians for a stronger sense of identity and participation with issues of world peace, trade agreements, environmental issues, and Third World development.

In the 1980s the international outlook of Canada will be greatly influenced by the following:

1. Involvement in world organizations.
2. Development of energy supplies.
3. Regulation of foreign owned companies in Canada.

4. Expansion of trade with the United States and European and Asian countries.
5. Control of nuclear proliferation.
6. Greater protection of the environment.
7. Aid to developing countries.

## ACTIVITY ONE: LOOKING AT WORLD EVENTS

### Objectives:

- To describe the interrelationships of world events.
- To become aware of how Canada and the United States view such events.

### Materials:

- World Map, p. 8.
- Any American newspaper.

### Procedures:

1. Discuss with students a world event that is currently of importance to Americans and Canadians. Identify the countries involved in the event and list them on the board.
2. Hand out a world map (see next page) and have students locate the event and the following countries:  
  
Canada, United States, Soviet Union, West Germany, India, Mexico, People's Republic of China, Australia, Japan, Israel, Brazil, and South Africa.
3. Label any other countries involved in the event. Draw lines between the event and countries involved.
4. Students write a short paragraph on a likely American reaction to the event and what they consider might be the Canadian position.

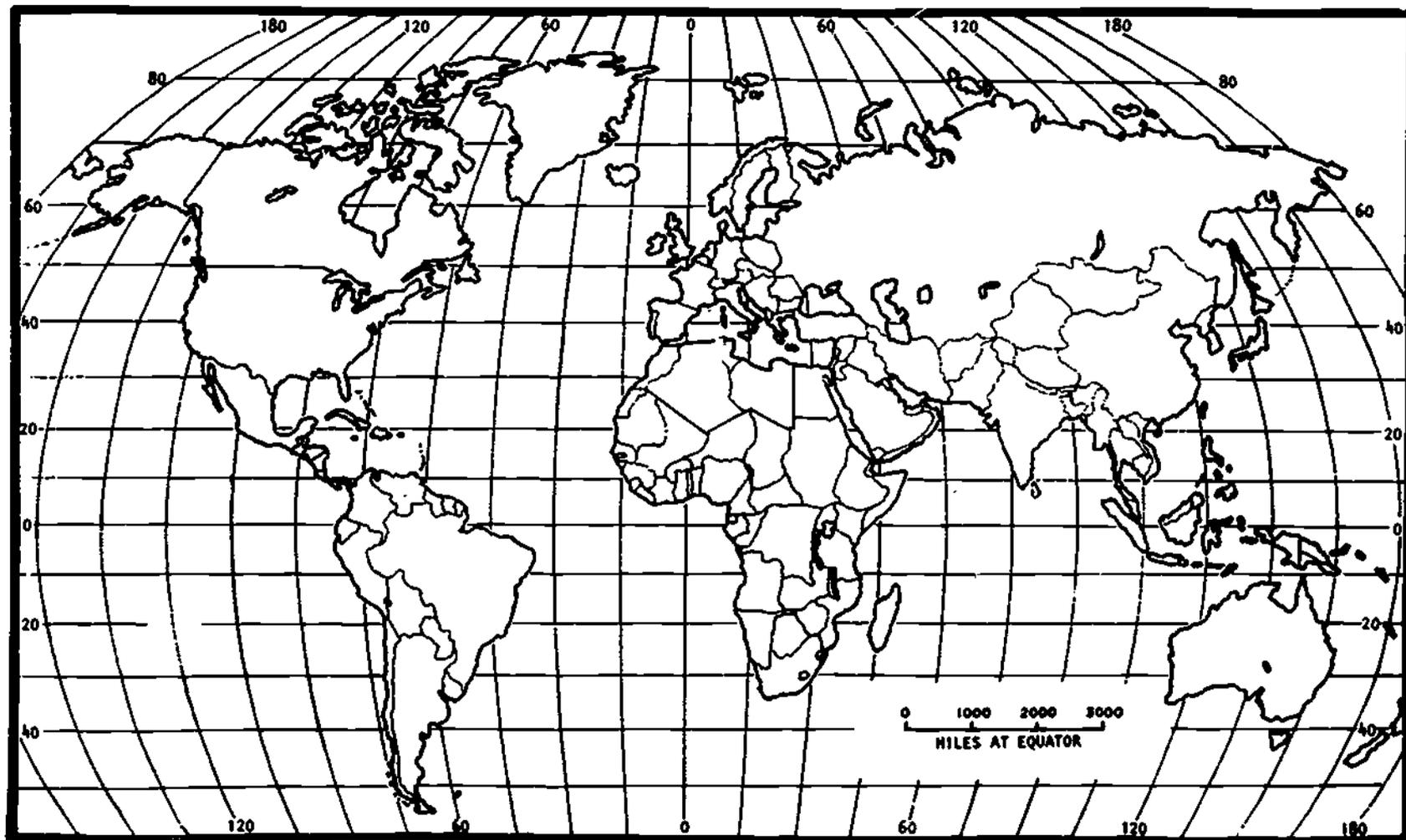
### Notes for Teaching

This introductory activity illustrates the interrelationships of world events. Any CURRENT EVENT involving war, persecution of people, a trade blockade, hostage taking, or sports can be considered. For example, in the early 1980s the world was facing such developments as the Afghanistan invasion by the U.S.S.R., hostage taking in Iran, and opposition to the Summer Olympics in the Soviet Union.

Locating events and incidents on a map helps students visualize world involvement in the incident. The outlook of Americans should be discussed in class before students write their accounts of likely American reactions.

News accounts, editorials and letters to the editor of a newspaper are good sources of current information. Discussion of possible Canadian reactions should be viewed as preliminary in order to open up discussion of the Canadian outlook examined in later activities.

# THE WORLD



## CANADA IN WORLD ORGANIZATIONS

Canada is a member of many world governmental organizations and alliances. The most important include the United Nations, the Commonwealth of Nations, North Atlantic Treaty Organization (NATO), North American Air Defense (NORAD) and the General Agreement on Trade and Tariffs (GATT). In addition, Canadians participate in non-governmental organizations, such as the Red Cross and the Greenpeace Foundation.

### The United Nations

In 1945 Canada was a founding member of the United Nations. Over the years strong support for the organization has helped shape a 'mediator' role for Canada. Canada has served as a 'middle man' in international incidents by offering to help negotiate disputes and supply funds and soldiers for truce supervision. For his international efforts Lester B. Pearson, later Canada's Prime Minister, won the Nobel Peace Prize in 1956. Since the founding of the U.N. Canada has taken a major role in peace-keeping duties. Under United Nations authority Canada has helped supervise disputes in Palestine, Korea, Suez, the Congo (Zaire), Cyprus, Kashmir and the Middle East.

In the 1970s Canada's foreign policy emphasized stronger relations with developing nations in Asia and



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Africa. Canada was an early supporter of admitting the People's Republic of China (Mainland China) to the United Nations. In fact, Canada established diplomatic and trade relations with China in 1972, seven years before the United States.

As a member of the United Nations, Canada has strongly supported not only its political goals but also the organization's trade, health, education assistance, and cultural programs. Among world countries, Canada is the ninth largest financial contributor to the operations of the United Nations.

### **Commonwealth of Nations**

The Commonwealth of Nations consists of the United Kingdom (England, Scotland, Wales and Northern Ireland) and 41 countries which were once part of the British Empire.

Today, the major countries in the Commonwealth are Canada, India, Australia, New Zealand, Nigeria and Ghana. In the past the Commonwealth provided trade advantages among members and an international alliance to deal with world problems.

Today, the main purpose of the Commonwealth is to promote cooperation among member nations on matters of trade, economic development, education, cultural affairs and sports. Since many Commonwealth

nations are non-European, the Commonwealth of Nations is one of the few truly multi-racial organizations in the world. Many view the major strength of the Commonwealth organization to be the racial mix of people and beliefs.

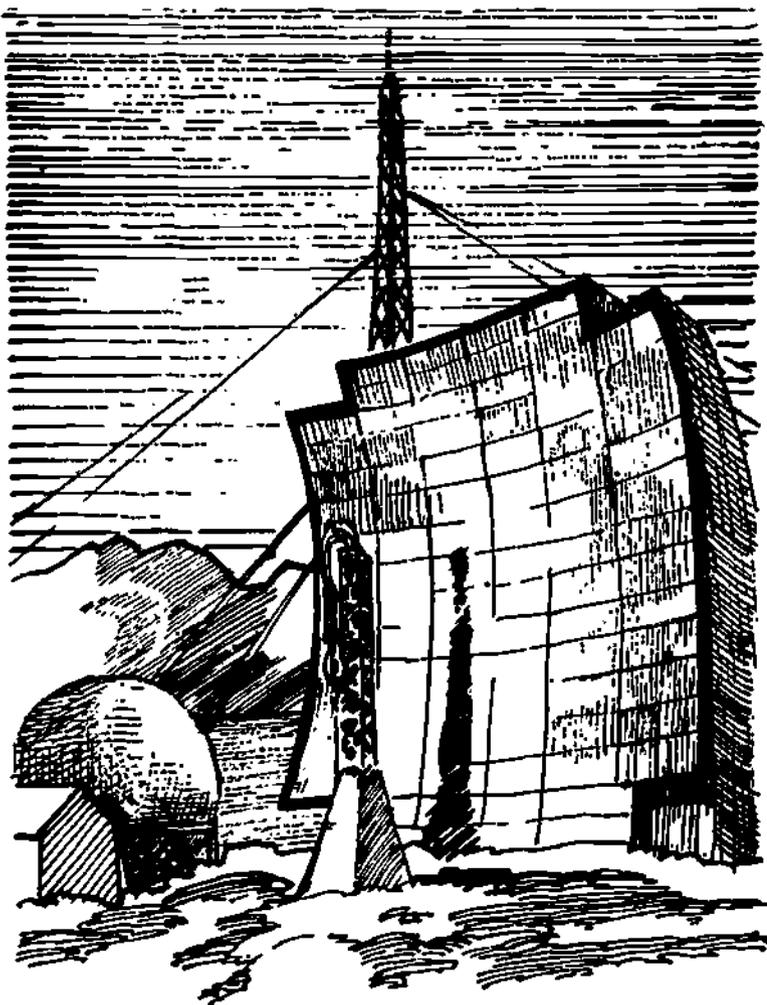
In addition the organization sponsors the Commonwealth games held every five years. The 1979 games were held in Canada at Edmonton.

### **Defense Organizations**

Defense of North America continues to be a responsibility shared by the United States and Canada. The two countries are members of the North Atlantic Treaty Organization (NATO) and the North American Air Defense Command (NORAD). Founded in 1949, NATO is a defense alliance of European and North American nations. NATO provides collective security for member nations, meaning all will contribute military force to protect any one member who is attacked.

In 1958 the U.S. and Canadian governments established NORAD to protect North America from a possible air attack. NORAD, with headquarters in Colorado, coordinates the air defense of Canada and the U.S. by using information received from satellites and early warning systems in the Canadian North.

In 1975 the renewal of the NORAD Agreement gave Canadian forces full operational responsibility for defense of Canadian airspace. NORAD was again renewed in 1980.



In recent years, many Canadians have questioned North American defense policy in the age of the inter-continental ballistic missile. The American defense system has caused concern because missiles directed at the U.S. would also explode over Canada. Some worry that existing alliances tie Canadian armed forces too closely to the U.S.

Such concerns have led to a debate in Canada about its defense commitments. Some argue that Canada should spend its money on aid to developing countries rather than contribute money to the military strength of the United States and its allies. Others believe Canada's close military ties to the U.S. make the country a 'satellite' in defense policy. This controversy led to a thorough review of Canadian defense policy in the 1970s. While cutbacks in Canada's NATO forces have occurred, Canada and its European and American allies continue to cooperate closely on defense issues.

### **Environmental Issues**

In recent years, Canadians have expressed international concern for environmental issues. Alaska oil tanker traffic off the coast of British Columbia has been opposed because of the threat of oil spills. Pollution of the Great Lakes from American factories has prompted Canadian protest.

In 1970 a Vancouver group formed the Greenpeace

Foundation to focus world attention on American nuclear tests in Alaska. Greenpeace sent ships to the Aleutian Islands to protest the atomic tests.

Greenpeace has continued to promote public awareness about problems of the environment, ranging from pollution of the atmosphere to the killing of whales and seals. In 1975 Greenpeace began a series of expeditions to save the whales. Supported by citizens in both Canada and the United States, the Greenpeace strategy was to sail to the North Pacific and intercept the Russian whaling fleets. By listening to radio messages, the whaling ships were located. Once contact was made, the Greenpeace crew launched rubber boats, positioned themselves in front of the harpoon guns, and consequently prevented killing of the whales.

Not all Greenpeace protests have received support from Canadians. The Greenpeace expedition to save seal pups off the coast of Eastern Canada was received with mixed reaction. Many Canadians who live in Newfoundland objected to the Greenpeace interference with their spring hunt. For them, the harvest of baby seals provides an important part of their yearly income. However, publicity given to the killing of baby seals and the concern over the decrease in the harp seal population sparked support for the Greenpeace protest from many Canadians and people throughout the world.

Greenpeace, which has established groups in Canada, the United States, Europe and Australia,



continues to be a non-governmental organization committed to promoting public awareness of environmental problems.

## Third World Assistance

Canada has taken an active role in providing aid and assistance to Third World countries. A Third World country such as Tanzania, Zaire and Ecuador has a non-western culture and lacks an industrial economy.

Over forty per cent of Canadian foreign aid has gone to Africa. Canada, with a sizeable French speaking population, has developed strong ties with the francophone (French speaking) nations on that continent. Canada has also provided food to aid starving people in the famine areas of Africa. Technical assistance has been provided through Canada's version of the Peace Corps, the Canadian University Students Overseas (CUSO).

The admission of refugees into Canada is another part of the Canadian help to Third World people. Thousands of refugees from Uganda, Cambodia, Vietnam and other countries have been brought into the country in recent years.

In addition, Canada participates in many international aid organizations such as the World Food Conference and the Conference on International Economic Cooperation. Aid mainly has been in the form of foodstuffs, technology and low interest loans.

Canada's aid program has come under criticism in recent years. The North-South Institute, a non-governmental organization, has recommended that a 'master plan' be developed for future Canadian assistance. The plan recommends not only increased aid but the

development of a new world economic order which ties more closely 'North' (e.g., Canada, U.S., etc.) and 'South' (e.g., Nicaragua, Sudan, Columbia) countries.



## ACTIVITY TWO: IDENTIFYING WITH CANADIAN POSITION

### Objectives:

- To be aware of Canadian responses to world issues.
- To compare policy responses of Canada and the U.S.

### Materials:

- Information, 'Canada in World Organizations,' pp. 9-13.
- Any American newspaper.

### Procedures:

1. Have students read 'Canada in World Organizations' and make a list of American and Canadian memberships in world organizations. American membership will have to be drawn from students' own knowledge.
2. Divide class into small groups and assign one of the following issues to each group:
  - a. Outbreak of war between two Middle East oil producing countries.
  - b. Atomic test explosions by two South American countries.
  - c. Killing of whales by Japan and U.S.S.R. in the Antarctic waters.
  - d. Setting of high tariffs by the United States on all goods imported from Canada.
3. Identify how Canada and the United States might respond to the issue. List responses on the blackboard and discuss how they relate to Canada's international outlook.
4. Students prepare a list comparing Canadian and American responses to the issue(s).
5. Class discussion of the importance Canadians and Americans might give to the issue and how views of citizens might differ from those of government.

### Notes for Teaching

The intent of this activity is to compare the positions of Canada and the United States on world issues. Before meeting in small groups, have students identify the role of Canada in each of the world organizations. Be sure to distinguish between governmental and non-governmental organizations, e.g., U.N. and Greenpeace.

Issues for small groups can be assigned two ways. Groups can be given the same issue followed by class discussion comparing responses of Canada and the United States. Groups can also be given different issues. In this case, class discussion will probably identify a wider range of responses. In either case, it should be suggested that the Canadian government will probably be more concerned with resolving the issues whereas the United States, as a world power, is more concerned with security and its global interests [particularly with 'a' and 'b' kinds of issues].

Comparing Canadian and American responses provides a written statement which aids student understanding of world issues. Comparing points of view highlights different outlooks among governments, citizens and organizations on international issues.

As a conclusion, students could write position papers giving reasons for their point of view.

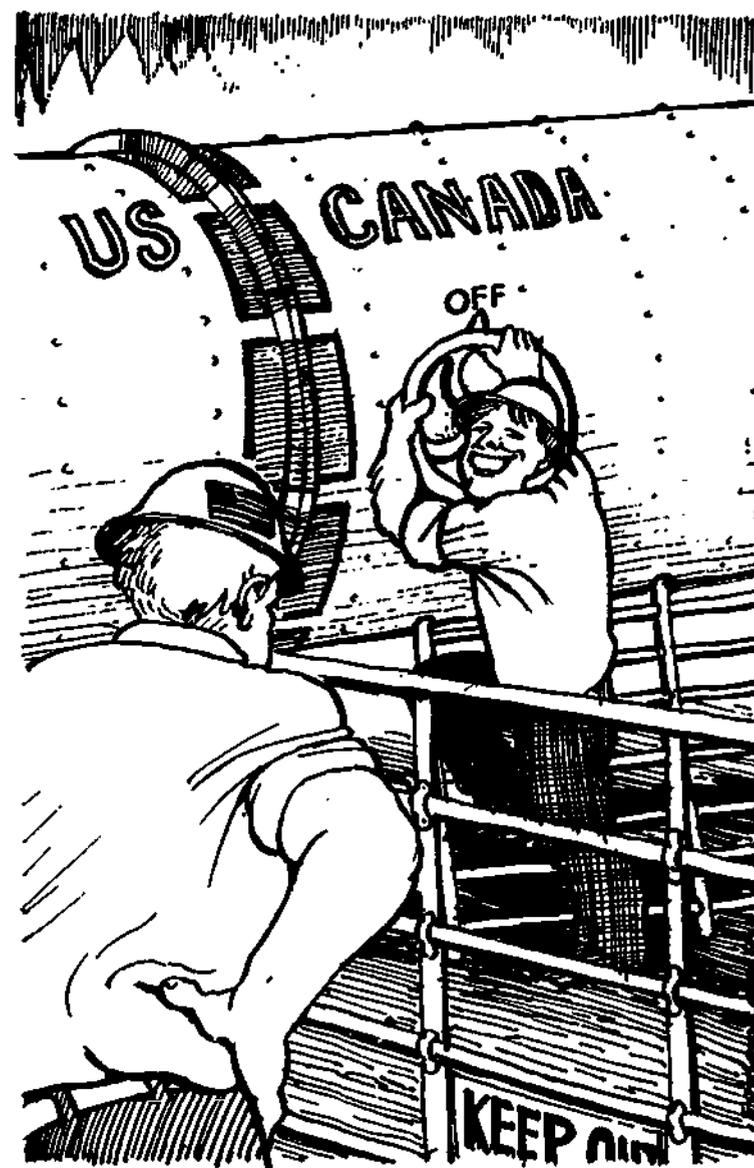
## ENERGY ISSUES

Most Americans see Canada as a land of unlimited and inexpensive energy. Until the mid-1970s the common view was that Canada had vast resources, and the only problem was one of distribution throughout the continent.

### Canadian Oil and Gas Supplies

The energy crisis of 1973 brought about a strong awareness among Canadians that the use of energy, particularly oil and gas, was growing faster than the rate of discovering new supplies. In 1974 the government began reducing oil exports to the U.S. with complete cutoff by 1985. This action is being taken to help achieve the goal of energy self-sufficiency by 1990.

Many Americans would like to see a joint U.S.-Canadian program to open up new energy sources in the northern areas of Canada. Since the 1960s, some American politicians have made proposals for a North American energy market. This would allow joint development and establish free trade of energy (i.e., oil and natural gas) among Canada, the United States and Mexico. Canadians have continually opposed such energy-sharing plans because they believe the resources are required in Canada. In addition, many believe that an energy common market will lead to increased economic influence by the United States.



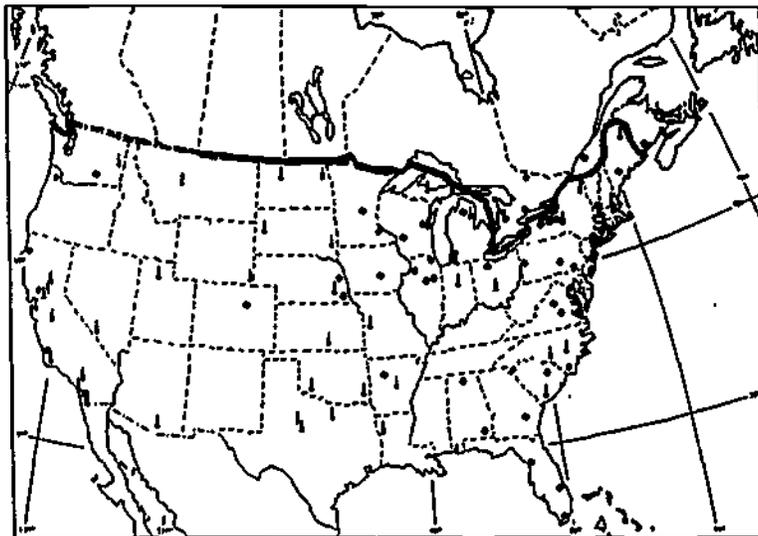
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## Nuclear Power: Electricity and Defense

Canada has been a major exporter of uranium and nuclear technology since the Second World War. The government policy was to sell nuclear technology and reactors only for peaceful means. In 1975 India exploded an atomic device which used technology developed in Canada and the United States. Canada stopped exports of nuclear technology even though Canadian companies benefited from the sale of reactors. The government strengthened its support for nuclear nonproliferation by stopping the shipment of reactors and fuel to countries which have not provided acceptable international safeguards. Of course, any determined country will be able to find other sources of technology and reactors.

Nobody pretends that Canada single-handedly can halt dangerous nuclear testing. By giving up much of the international reactor market, Canada has taken a lead which it hopes other countries will follow.

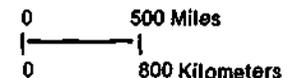
Many Canadians have spoken out against American nuclear weapon systems and nuclear power plants. In recent years Canadian protest groups have demonstrated against the Trident submarine base at Bangor, Washington. Citizens and politicians from British Columbia have protested the construction of nuclear generating plants located in Washington State, fewer than 50 miles from Vancouver, B.C.



Canada and the United States  
Nuclear Power Plants and  
Nuclear Weapons Installations

1979

- Nuclear Power Plants
- | Nuclear Weapons Installations



### ACTIVITY THREE: DEBATING NUCLEAR ENERGY

#### Objectives:

- To list major arguments for and against exporting nuclear technology.

#### Resources:

- Information, 'Energy Issues,' pp. 15-16.

#### Procedure:

1. Have students read information sheets on energy issues. Allow class time to discuss and identify significant issues of nuclear energy.
2. Describe debating procedures to students. [See Notes for Teaching].
3. Present resolution, 'Be it resolved there be no restriction on world sale of nuclear fuel and technology by Canadian companies. Write resolution on blackboard and clarify terms.
4. Divide class into an affirmative and negative side. Four students are to be appointed [by group and/or teacher] as debaters. Although all members of a 'side' will not participate in the actual debate, all should help in locating materials and generating support for their side.
5. Allow each debater three minutes to speak. The procedure is outlined in Notes for Teaching. During the rebuttal, debaters should be encouraged to respond only to points made by the opposing side.
6. Discuss with students the reasons given in the debate. Conclude with a class vote on the sale of nuclear fuel and technology.

#### Notes for Teaching

The debate provides students the opportunity to examine a global issue that continues to receive world attention. Newspaper accounts and articles about nuclear fuel and technology may be used for preparation of the debate.

Extra time may be needed to discuss the skills and procedures of a debate. The class debate should involve all students in preparing arguments. During the debate those students who are not speakers should observe and make a list of points/reasons for the affirmative and negative sides.

The procedure for the debate requires the Affirmative [the position speaking in support of the resolution] to start. The order of presenting views is:

Affirmative	[1st speaker]
Negative	[1st speaker]
Affirmative	[2nd speaker]
Negative	[2nd speaker]

Order of rebuttal is:

Negative	[1st speaker]
Affirmative	[1st speaker]
Negative	[2nd speaker]
Affirmative	[2nd speaker]

Six students can be selected if one wishes to involve more students in the actual debate and generate a wider expression of views.

Although the debate has a Canadian focus, the issue is also relevant to American, British, French and West German companies involved in the sale of nuclear technology.

## FOREIGN CONTROL OF COMPANIES IN CANADA

'Who controls resources and business in Canada?' continues to be a major question for Canadians. The concern is about the economic and cultural influence that comes from foreign controlled businesses and media which operate in Canada.

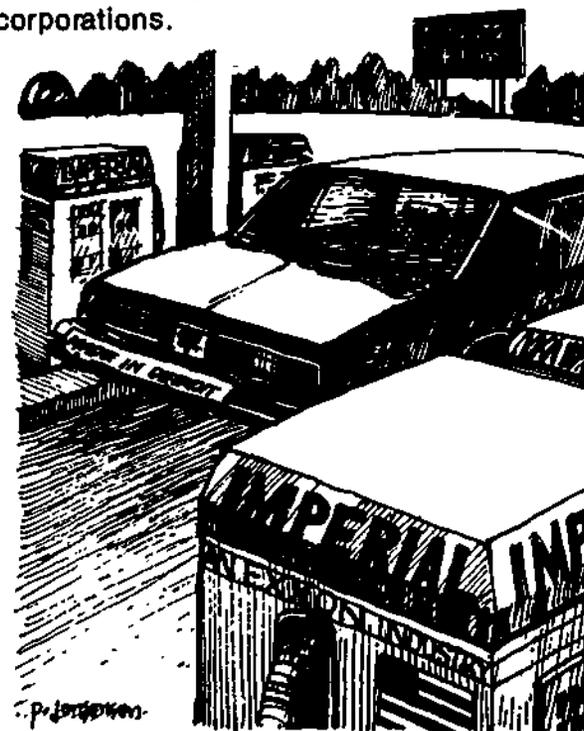
American, European and Japanese companies have invested heavily in the development of forest and mineral resources in Canada. Many American corporations establish branch companies in Canada, which are controlled from outside the country. This has led to widespread concern over foreign control and especially American control of production and sale of Canadian products.

In the 1970s the Canadian government took steps to control foreign investment. These steps are:

1. The Canadian Development Corporation (CDC) was established in 1971 to encourage investment in Canadian controlled companies. Funded jointly by the national government, Canadian companies and citizens, the Corporation provides large sums of money to encourage development of new companies and to help established companies remain competitive. The CDC has invested money in such areas as Arctic exploration for natural gas and oil, uranium mining and aircraft manufacturing
2. Canada established a government owned energy company called Petrocan. Its purpose is to promote oil and gas drilling in areas such as the Canadian

Arctic and the continental shelf off the coast of Newfoundland and Nova Scotia. In addition, Petrocan has the responsibility to purchase foreign oil for distribution throughout Canada.

3. The government established the Foreign Investment Review Agency to regulate foreign control of companies in Canada. The agency prohibits foreign companies from operating in Canada unless they can demonstrate a direct benefit to the Canadian economy. This approach has been used to deal with branch companies which are really arms of multinational corporations.



## Multinational Corporations

A multi-national corporation operates world wide and has no allegiance to a particular country. Decisions affecting branch firms are made by the head office. The major advantage of a multi-national corporation is that large sums of money can be readily obtained for resource development in countries where necessary capital is not available. A second advantage is the ability to obtain expensive and complex technology vital to modern business operations. A major criticism is that multi-national corporations, because of their great economic power, can play one country off against the other to get the most attractive investment terms. In 1978 the Ford Automobile Company, after lengthy discussions with American and Canadian governments, decided to build a new car assembly plant in Southern Ontario rather than Ohio. This decision was made because the Ontario government provided tax concessions to Ford. The Canadian government believed such developments would increase employment opportunities for Canadians, even though the control of production would be outside Canada.

Multi-national corporations are also criticized for escaping national laws. Decisions for production and trade of branch companies are made in accordance with the laws of the country where the head office is located. One example is the United States Trading With the Enemy Act which has influenced export trade of

Canadian branch companies. In the early 1970s Canadian truck and bus manufacturing companies negotiated a large sale with Cuba. Yet they were restricted from trading with Cuba because they were subsidiaries of American companies and therefore bound by American law which prohibited U.S.-Cuba trade.

In communications, the Canadian government established the Canadian Radio-Television and Telecommunications Commission (CRTC) to regulate radio and TV broadcasting. In recent years CRTC has restricted the amount of foreign produced material that can be aired on Canadian radio and television stations. At least 50 per cent of TV programming must be of Canadian origin. The purpose of the restriction is to expand Canadian talent and production.

Similar regulations exist in the publishing industry. If a foreign publisher wishes to be treated as a Canadian company, its publications must have a certain amount of Canadian content.

The attempt by the Canadian government to restrict foreign control is a controversial issue, and thus Canadians have differing views. Some people see controls necessary for development of a Canadian identity independent from the economic influence of the U.S. Others view government controls as an undesirable restriction on economic freedom that reduces employment opportunities and leads to higher costs for goods and services.

## ACTIVITY FOUR: UNDERSTANDING MULTINATIONAL CORPORATIONS

### Objectives:

- To list the advantages and disadvantages of having multinational corporations (MNC) in Canada.
- To be aware of Canadian views on foreign ownership.

### Materials:

- Information, 'Leading Companies of Canada,' p. 21.
- Information, 'Multinationals: A Supporting View,' p. 22.
- Information, 'Multinationals: An Opposing View,' p. 23.

### Procedures:

1. Hand out information sheet on major companies of Canada. Individually, or in pairs, students complete a table listing the leading industrials, petroleum producers and merchandisers that are mostly owned by U.S. companies.
2. Based on the table, have students:  

Describe the kinds of industrials that are foreign owned; suggest reasons why most top Canadian petroleum producers are foreign owned; suggest why so few merchandising companies are foreign owned.
3. In small groups have students discuss and list the advantages and disadvantages that arise from multinational corporations operating in Canada. Attempt to establish class consensus of what they view as the most significant.
4. Hand out to students: 'Multinationals: A Dissenting View' and 'What Doth It Profit A Man.' Ask students to list positions for and against multinationals. Compare the views of multinationals expressed in the information sheets with those expressed by students with regard to multinationals in Canada.

### Notes for Teaching

The intent of teaching foreign control of major Canadian companies is to illustrate their importance to the Canadian economy. Foreign control should be viewed not only as American, but also as Japanese, European and Arab. Although some time may be needed to develop student understanding of a MNC, major emphasis should be on their role in Canadian resource development and how Canadians view such influence.

The student table listing Canadian companies owned by U.S. companies can be organized in the following format:

Name of Co.	Rank by Sales	% Owned by U.S. Company

Questions based on the table can be handled in class discussion.

Small group discussion of the advantages and disadvantages of MNCs should be based on student views and the readings in the unit (assigned as student readings or discussed by teacher prior to group activity). Steps 3 (group discussions) and Step 4 (student reading of handouts) can be reversed.

If large sheets of newsprint are available, groups should use the sheets to display their work and focus discussion. The written assignment should encourage students to pull together a position on MNCs in a Canadian context and how it can influence the global outlook of Canadians.

## LEADING COMPANIES IN CANADA 1978-79

### TOP TEN INDUSTRIALS

Rank by Sales	Company	Foreign Ownership %	Major Shareholder %
1	Gen. Motors of Canada Ltd.	100	Gen. Motors Corp.-U.S.
2	Ford Motor Co. of Canada	88	Ford Motor Co.-U.S.
3	Canadian Pacific Ltd.	28	U.S. 14; Brit. 7; Other 7
4	Imperial Oil Ltd.	76	Exxon Corp.-U.S.
5	Bell Canada	6	Wide distribution
6	Alcan Aluminium Ltd.	58	U.S. 45; Other 13
7	Messey-Ferguson Ltd.	41	Argus Corp.-Toronto 16
8	Chrysler Canada Ltd.	100	Chrysler Corp.-U.S.
9	Canadian National Railways	0	Government of Canada
10	Shell Canada Ltd.	71	Royal Dutch/Shell Group

### TOP TEN PETROLEUM PRODUCERS

Rank by Sales	Company	Foreign Ownership %	Major Shareholder %
1	Amoco Canada Petroleum Co.	100	Standard Oil Indiana-U.S.
2	Mobil Oil Canada Ltd.	100	Mobil Oil Corp.-U.S.
3	Dome Petroleum Ltd. (Calgary)	0	Domea Mines-Toronto 26.4
4	Pacific Petroleum Ltd.	0	Govt. of Canada (Petro Canada)
5	Hudson's Bay Oil & Gas Co. (Calgary)	53	Continental Oil-U.S.; Hudson's Bay, Winnipeg 21
6	Canadian Superior Oil Ltd.	50	The Superior Oil Co.-U.S.
7	Great Canadian Oil Sands Ltd.	96	Sun Co.-U.S.
8	Home Oil Co. (Calgary)	0	Consumers' Gas-Toronto 39
9	Consolidated Natural Gas Ltd.	100	Northern Natural Gas-U.S.
10	Aquitaine Co. of Canada	79	French owned 74.8; U.S. 4

### TOP TEN MINING PRODUCERS

Rank by Sales	Company	Foreign Ownership %	Major Shareholder %
1	Keiser Resources Ltd.	59	Kaiser Steel-U.S. 32; Mitsubishi-Japan 27
2	Placer Development Ltd.	0	Noranda Mines Ltd.-Toronto 33
3	Asbestos Corp.	54	Gen. Dynamics-U.S. 54
4	Cyprus Anvil Mining Corp.	63	Cyprus Mines-U.S. 63
5	McIntyre Mines Ltd.	44	Superior Oil-U.S. 44
6	Dome Mines Ltd. (Toronto)	0	Dome Petroleum-Calgary 31
7	Cassiar Asbestos Corp.	59	Britain 36; U.S. 23
8	Copperfields Mining Corp.	0	Dr. N.B. Keevil 28
9	Tara Exploration & Develop. Co.	11	Cherter Cons.-England 11
10	Kerr Addison Mines Ltd.	0	Noranda Mines Ltd. 44

### TOP TEN MERCHANDISERS

Rank by Sales	Company	Foreign Ownership %	Major Shareholder %
1	George Weston Ltd.	0	Wittington Invest.-U.S. 34
2	Dominion Stores Ltd. (Toronto)	0	Argus Corp.-Toronto 30
3	Simpson-Sears Ltd.	50	Sears Roebuck-U.S. 50
4	Proviso Inc.	0	Caisse de depot 23
5	Canada Safeway Ltd.	100	Safeway Stores Inc.-U.S.
6	Steinberg Inc.	0	Steinberg family 100
7	Hudson's Bay Co.	0	Thomson family 75
8	T. Eaton Co.	0	Eaton family
9	Oshawa Group Ltd.	0	Wolfe family & estate 100
10	F.W. Woolworth Co.	100	F.W. Woolworth Co.-U.S.

The Financial Post 500, June 16, 1979

## Multinationals: A Supporting View

'As chief officer of a major multinational company operating in some 100 countries and territories, I admit that we make a profit on our operations. The profit averages 1.5 cents on each gallon of petroleum product sold. Were it not for the profit, we wouldn't be in business. Nor would any other multinational. When we do make a profit, it is for the good of our organization, but it benefits others as well. The world profits in many ways.

Even a report by the United Nations has identified advantages. Multinationals provide for world development. They are able to tap financial and human resources around the world and to combine them into profitable activities.

Criticisms of multinational companies astonish me. They do not apply to my company, nor to many other multinationals. My company, for example, does not export jobs. Our overseas operations have increased employment in the United States. The U.S. industry is improved by the crude oil we produce and purchase from other countries.

What about the charge that multinationals exploit and manipulate the developing world?... Many seizures of company assets provide evidence that countries, not companies, have the real power. In other words, the weakest country is stronger than the most powerful company.

Naturally, we would prefer to stay. We think it is in the world's interest, not just ours. The world needs agencies that will keep business out of conflict with politics.

Multinationals also have the ability to broaden economic opportunity within developed countries by putting plants in depressed regions.... Although such investment

decisions are made for business reasons, the economy of a country also gains.

Critics of multinationals often ignore these contributions to world society. Unfortunately, they are often hidden by a smokescreen of incorrect charges. Take the charge that multinationals plan their operations to avoid taxes. No one has yet shown us how. Last year, for example, out of every three dollars we earned, Mobil had to return two dollars in income taxes to governments around the world.

Another argument states that multinationals cause poverty and retard development. Come now. If that were so, why do developing countries actively compete for investment by the multinationals?

Finally, we are told, multinationals often produce luxury items that developing countries don't really need. But is the definition of luxury goods for industry to determine? Companies go where the resources or the markets are. If governments want to get into such arguments (is Coca Cola a luxury, for example?), it is within their power to do so.

Multinationals have upgraded education in many countries through employee training. On any given day, at least 200 people from Mobil's international companies will be in courses to improve their skills. This will improve their salaries. Multinationals also fund thousands of scholarships and aid many local universities. Companies have even built primary schools in some developing countries. ...'

Adapted from: R. Warner, Jr., 'What Doth It Profit A Man...'  
Saturday Review, January 24, 1976

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## Multinationals: An Opposing View

Evidence shows that the change of the world economy started by the MNC is having a bad effect on at least 60 per cent of the world's population in three important ways. First, the MNC is undermining the ability of governments everywhere, including the United States, to meet basic social needs for a majority of their citizens. Second, it is promoting a model of development and world distribution system that is widening the gap between rich and poor.

In the underdeveloped world, where most of the global population lives, there are real conflicts of interest between a global corporation and a poor country. The corporation is interested in paying low taxes, keeping its labor costs down, moving its money freely, and minimizing local controls. But the results for a country are often: loss of foreign exchange; loss of tax revenues; and unemployment....

The role of the multinational corporation as world distributor is most dramatic in the area of food. Agribusiness is now buying or renting more and more farm land. Decisions on what to plant and where to distribute the harvest are made with profits in mind....

The development model of the multinationals is central planning to make the most money. This causes instability in the United States and other industrialized countries. U.S. global companies, many of which now get more than their profits from abroad, do not have the same stake in the United States as do traditional American companies....

The export of production to cheap labor sites has created an employment problem in such basic industries as

rubber, electronics, textiles, and automobiles. For example, Ford and General Motors were increasing their investments abroad even as they were laying off in Detroit. And Ford's plant in Valencia, Spain, is planning to produce thousands of compacts for import into the United States. The threat to move out of the country has eroded labor's bargaining power in the United States.

The point is that the multinational development model, while it rescues a few countries continues to be responsible for poverty in the Third World. The development model calls for a worldwide distribution system of standardized goods. Some see it as a 'Global Shopping Center' to service wealthy centres around the world. But a profit-dominated system takes resources from the places where they are most needed to those where they are needed the least.

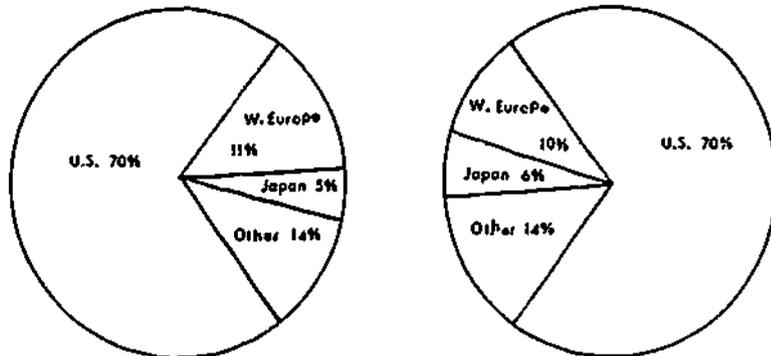
We need to modernize our political institutions so that they keep pace with economic changes. Multinationals will continue to use their power for profit unless governments establish new controls. The redistribution of economic and political power is the price of maintaining democracy in America.

Adapted from: R.J. Barnett, 'Multinationals: A Dissenting View'

Saturday Review, February 7, 1976

## CANADA-U.S. TRADE

For many years the U.S. has been Canada's largest and most important trading partner. Geographical proximity and the huge American market (recall that the United States' population is approximately 10 times that of Canada) has made north-south trade natural. As Canada's most important customer, the U.S. purchases about 70 per cent of the products exported by Canada.



IMPORTS TO CANADA

EXPORTS FROM CANADA

Exports refer to products produced in a country and sold to other nations. The U.S. is also the largest source of Canadian imports. Imports are commodities which are brought into a country from another. Approximately seventy per cent of Canada's imports come from the United States.

The graphs show how Canadian trade is heavily dependent upon the United States. Therefore, economic developments in the United States almost always affect the Canadian economy. An illustration of this is the 1980

slowdown in production of American middle and large size automobiles which led to layoffs in automotive-related industries in Ontario. Early in the same year an American recession reduced the demand for lumber which caused high unemployment in British Columbia.

The economies of the U.S. and Canada are interdependent. This is because the two economies greatly affect each other. However, Canada is much more influenced by the U.S. because exports make up a greater part of the economy. Canada remains the number one customer for U.S. exports. Americans import more from Canada than from any other nation.

### Protectionism vs Free Trade

Economic interdependence and particularly Canada's vulnerability to the U.S. has often fostered 'protectionism' in both countries. Protectionism refers to tariffs and import quotas which are aimed at protecting the home industry from foreign competition. Protectionism has strongly appealed to Canadian producers and politicians wishing to protect a developing manufacturing industry in Canada. In recent years American producers, faced with increasing foreign competition, are using protectionist measures. For example, the U.S. federal government and many state governments have established laws which require that goods used in government projects (i.e., mass transit buses) be

produced by companies in the U.S. Although protectionism appeals to producers who wish to avoid foreign competition, it is opposed by some consumers and 'free traders' on the grounds that it forces up the cost of goods.

In spite of protectionist feeling in both countries,

trade relations between the U.S. and Canada have been moving toward fewer restrictions. By 1988 over 90 per cent of Canadian exports to the U.S. and more than four-fifths of the U.S. exports to Canada will move with minimal restrictions.

**Major Canadian Exports to U.S. 1978**  
(in \$ million)

Automobiles & parts .....	11,417
Lumber, pulp & paper products .....	6,953
Natural gas .....	2,190
Industrial & Agricultural machinery .....	1,632
Crude petroleum .....	1,572
Crude metal ores & concentrates .....	1,122
Fish .....	542
Asbestos .....	155
Apparel & footwear .....	115
Grain .....	86

**Major Canadian Imports from U.S. 1978**  
(in \$ million)

Road motor vehicles .....	12,027
Chemical & rel. products .....	1,993
Coal, crude petro. & rel. products .....	1,161
Industrial machinery .....	1,024
Communication & rel. equipment .....	919
Office machines & equipment .....	900
Tractors .....	777
Metal fabricated products .....	708
Meas. controlling lab equipment .....	630
Textile fabricated materials .....	577

Source: *Statistics Canada*, 1980

**Where Canadian Exports Go**  
(in \$ million)

Michigan .....	9,648	Kansas .....	241
New York .....	4,622	Rhode Island .....	239
Washington .....	2,397	North Carolina .....	218
Ohio .....	2,123	Vermont .....	195
Minnesota .....	1,797	West Virginia .....	178
Illinois .....	1,633	South Carolina .....	142
California .....	1,144	New Hampshire .....	134
Wisconsin .....	1,137	Alabama .....	130
Pennsylvania .....	1,181	Colorado .....	117
Massachusetts .....	857	Nebraska .....	103
New Jersey .....	853	Louisiana .....	97
Indiana .....	760	Oklahoma .....	89
Montana .....	634	Delaware .....	87
Texas .....	555	Idaho .....	86
Maryland .....	479	Arkansas .....	70
Maine .....	435	South Dakota .....	63
Missouri .....	415	Mississippi .....	59
Georgia .....	410	Arizona .....	55
Florida .....	389	Utah .....	48
Kentucky .....	365	Dist. of Columbia .....	40
Connecticut .....	320	Alaska .....	37
Virginia .....	310	New Mexico .....	24
Iowa .....	298	Hawaii .....	23
North Dakota .....	295	Wyoming .....	22
Tennessee .....	285	Nevada .....	17
Oregon .....	266		

Source: *Financial Post*, May 12, 1979

## ACTIVITY FIVE: EXAMINING CANADA-U.S. TRADE

### Objectives:

- To identify major Canadian and American exports.
- To list advantages and disadvantages of protectionism and free trade policies in world trade.

### Materials:

- Information, 'Canada-U.S. Trade,' pp. 24-25.
- Information, 'Trade in a Wild World,' p. 27.
- Information, 'U.S. Puts on Protectionist Pressure,' p. 28.

### Procedure:

1. Provide students with the following list of products:

airplanes  
automobiles  
coal  
grapefruit and oranges  
iron ore  
lumber  
movies  
newsprint  
potash

Ask students to identify which products are either major Canadian export items, American export items or both.

2. In a class discussion, have students give reasons why products were identified as exports. Some commodities may be considered exports of both countries.
3. Students read 'Trade in a Wild World' and 'U.S. Puts on Protectionist Pressure.' Discuss how both articles deal with protectionism. Assess protectionism by listing advantages and disadvantages for Canada.
4. Consider using the simulation 'Negotiation,' in Appendix A.

### Notes for Teaching

This activity highlights the close trade links between Canada and the United States and how trading practices can be influenced by government policies.

Trade products and exporting countries are:

airplanes	U.S.
automobiles	Canada and U.S.
coal	U.S.
grapefruit and oranges	U.S.
iron ore	Canada
lumber	Canada
movies	U.S.
newsprint	Canada
potash	Canada

The reading of 'Trade in a Wild World' and 'U.S. Puts on Protectionist Pressure,' is to promote student understanding of protectionism and free trade and how the positions can influence Canada-U.S. trade relations.

## Trade in a Wild World

An international stage is being prepared on which Canadian trade will have to act. The stage is being prepared by the Tokyo Round of the General Agreement of Tariffs and Trade...(GATT). Basically, the intention is to increase world affluence by increasing world trade. This can only be done by moving toward freer world trade. Yet most of the actors are better at protectionism (this refers to the practice of setting tariffs to protect the home industry from outside competition).

Some countries might be able to get away with protectionism, but Canada can't. Our greatest strength is in our natural resources and our agricultural products. We can't use or eat them all; we have to sell abroad. If we stepped out of GATT into protectionism, our trading partners would retaliate against our exports, our protected domestic industries would demand and get higher prices for their products, we would become less competitive internationally than we are now--which isn't very--and our standard of living would inevitably fall.

Roderick Oram in Report on Business outlined what he saw as the Canadian Government's strategy. Grossly over-simplified it would be this: to trade gains in the processing of our resources done at home in exchange for opening our markets wider to manufactured goods from abroad. The hypothetical example he gave dealt with Canada, Japan, copper and television sets. At present Japan buys copper wire, and we have high tariffs to try to protect our television industry against Japanese television sets.

After GATT, copper wire would be made in Canada for sale to Japan, and our tariff barriers would be lowered to let in

more Japanese TVs.... 'The principle is give a little to get a little,' according to Mr. Oram.

The giving could, a good many Canadian manufacturers believe, mean the end of much manufacturing in Canada. Strong manufacturers who are already competing internationally would have wider markets to fight for. Weak manufacturers might go under.

In fact, it's a wild world out there, in which a small Canada is trying to stimulate some big ideas. Most of the negotiations so far have dealt with restrictions on imports. Canada is hoping to get at least some of the big resource exporting nations together to threaten restrictions on exports unless the importers make concessions. We don't have a monopoly on anything, except perhaps asbestos, but if we could join with other producing countries to bargain as a unit, our strength would be magnified....

But Canada, it might as well be faced, is a pygmy among giants. We have too small a domestic market to support our own manufacturers, we must sell our resources and agricultural products abroad, and we have concentrated more of our economic resources on social programs than on becoming and remaining competitive. Because our resources and agricultural products are what the world wants, they are the strength from which we must deal in the end, even if it hurts.

...Toronto Globe and Mail, June 2, 1977

## U.S. Puts on Protectionist Pressure

WASHINGTON--Canadian-made subway and rail cars may be harder to find in the U.S. in the future. It won't be because the U.S. doesn't need the equipment, or that Canadian firms are not first-class producers of such rolling stock.

On the contrary!

The real trouble is that the Canadians and a few others are just a little bit too good at it. And when foreigners start beating U.S. firms too regularly, American protectionist pressure begins to mount.

In the case of the mass rapid transit equipment, the protectionists won a new victory last year with some changes to the federal Surface Transportation Act.

The act now says that a manufacturer providing equipment for a federally aided project must ensure the goods contain 51 per cent U.S. content, and are finally assembled in the U.S.

And the restriction is having an effect. One reason why Canadian bidders did not participate in a recent Baltimore transportation equipment project, was because of the new 'Buy America' push....

Peter Towe, Canada's ambassador in Washington, pointed out that last year U.S. states passed six new 'Buy America' laws, bringing the current total to 11. These laws and many others require U.S. goods to be used in projects funded by government contracts.

Even a state as large and internationally aware as New York is not safe from the protectionist fever. 'Buy America' supporters have been fighting for several years to get a restrictive act on the state legislative books to limit imports of

steel. Canada, which currently exports about \$2.5 billion of steel into the state a year, stands to be badly hurt if one of the four competing 'Buy America' bills is passed.

Ironically, in the larger federal U.S. sphere, efforts to erect new protectionist barriers are at a delicate stage because of the imminent Congressional legislative push to pass a new GATT multilateral freer trade package this year. Industry lobbies and various U.S. interest groups have been seeking exemptions to minimize the impact of the legislation before it is introduced.

In the past few months U.S. textile interests have won new protection against future import surges, the steel lobby is campaigning for fresh import barriers, dairy interests are trying to prevent higher cheese import quotas and domestic liquor interests are battling against more liberal U.S. import duty provisions.

Adapted from: Financial Post, May 12, 1979

## WORLD TRADE AND AID

Since the end of World War II Canada has become one of the world's leading traders. In the late 1950s and 1960s new discoveries of mineral wealth and growth of manufacturing led to a trading boom. Forest products, minerals, oil and gas in Canada became more important as the world consumed more energy.

The leading trading partners of Canada are the United States (over 68 per cent of Canada's foreign trade), Japan, United Kingdom, Germany, The Netherlands, the Soviet Union, and Italy. The People's Republic of China, currently an important grain purchaser, was not among the top 10 as recently as 1970. The growth of trade with China as well as other Asian and African countries

reflects efforts by Canada to balance its heavy trade with the U.S. by finding alternative world markets.

Imports. by Leading Countries. 1979  
(in \$ million)

United States .....	45,203
Japan .....	2,152
United Kingdom .....	1,926
Venezuela .....	1,556
Federal Republic of Germany .....	1,538
Saudi Arabia .....	1,228
France .....	775
Italy .....	634
Taiwan .....	521
Australia .....	463
South Korea .....	461

Source: Statistics Canada. 1979

Exports. by Leading Countries. 1979  
(in \$ million)

United States .....	43,243
Japan .....	4,081
United Kingdom .....	2,588
Federal Republic of Germany .....	1,367
Netherlands .....	1,079
USSR .....	762
Italy .....	729
Venezuela .....	698
Belgium and Luxembourg .....	667
France .....	619
People's Republic of China .....	591

Source: Statistics Canada. 1979

## General Agreement on Tariffs and Trade

The trade policies of Canada are regulated by international agreements. The most important is the General Agreement on Tariffs and Trade (GATT). Canada, the United States, and nearly 100 other nations participate in GATT. It guides four-fifths of world trade and sets tariffs on more than 60,000 items which move among the member nations.

The GATT agreement originated to help free up world trade by reducing tariffs. This reduction lowers the

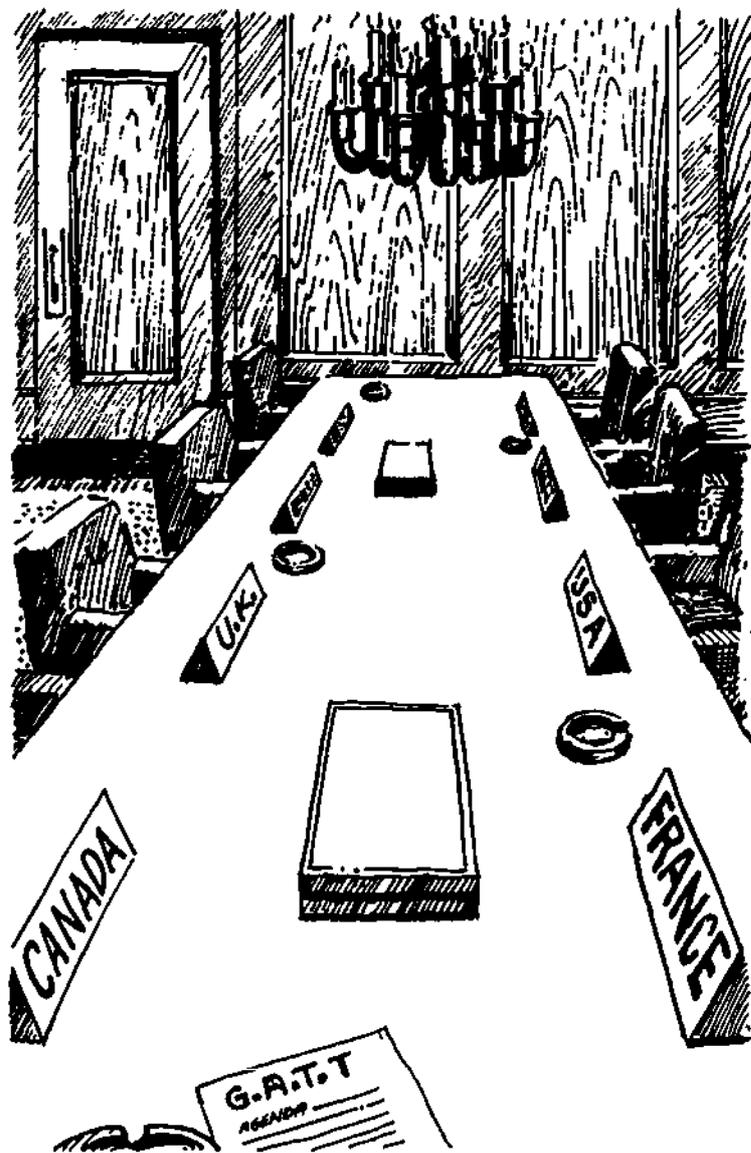
cost of consumer goods to participating countries. The organization provides international meetings for handling trade problems among the member countries.

The 1979 round of GATT negotiations reduced trade barriers between Canada and the United States. The average Canadian tariff on goods entering from the U.S. was reduced to 6 per cent. For Canadian goods entering the U.S. the tariff is less than one per cent.

From the consumer point of view this is a desirable trend as they will have a greater range of products to buy. Many Canadian manufacturers, however, believe reduction of tariffs on goods entering Canada makes it more difficult for their industry to flourish. Foreign produced commodities, especially from Japan and non-European countries where labor costs are cheaper, often outsell those produced at home. On the world scene greater economic interdependence is usually regarded as improving conditions for world peace.

### Third Option

In the early 1970s the Canadian government took action to diversify Canadian trade relations. It was hoped this would lessen the strong dependence the Canadian economy has with the United States.

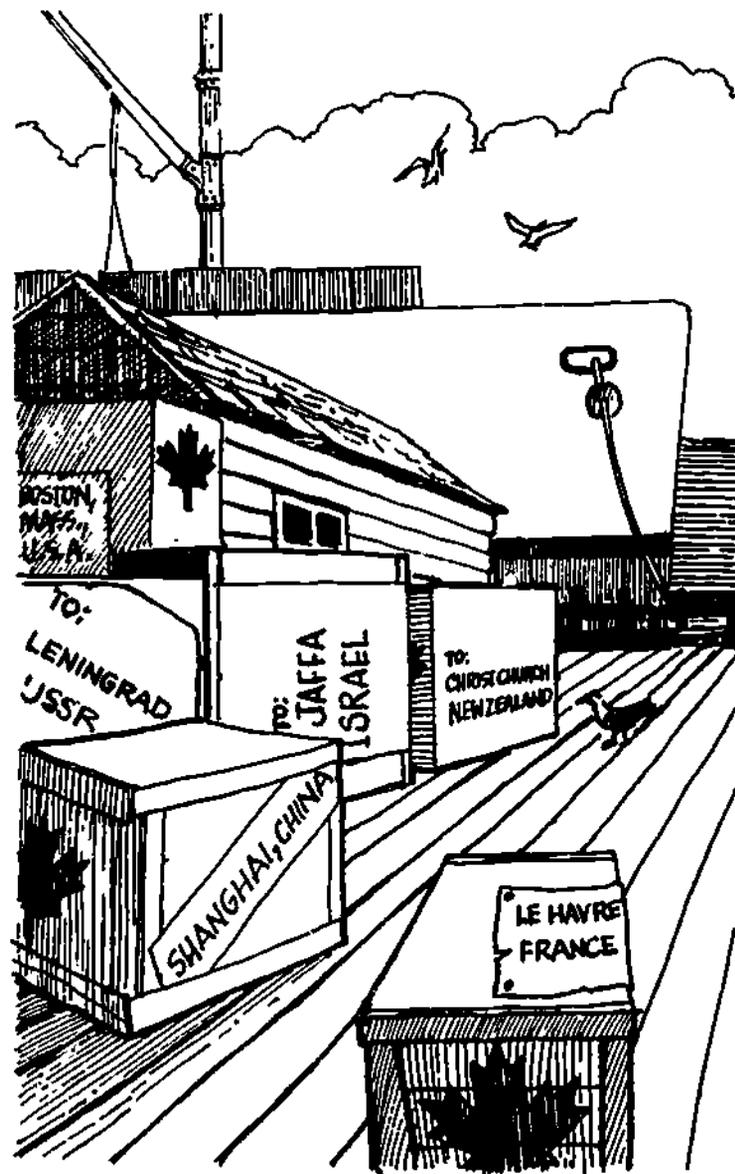


The result was the establishment of a 'Third Option' policy by the Canadian government.

- Option I - Maintain the status quo in world trade relations
- Option II - Deliberately move to closer integration with the U.S.
- Option III - Promotion of stronger ties with other countries (Western European countries, Japan, USSR, China).

This policy stressed balancing trade with the U.S. by increasing it with European and Asian countries. Increasing trade contacts in European and Asian countries have expanded Canadian trade relations outside of North America. In addition, Canada sought to establish broader cultural and economic contacts with communist countries. This is best reflected in formal recognition of the People's Republic of China in 1972.

The government modified its Third Option Policy during the late 1970s because of the depressed Canadian economy. Since an increase in exports is one way of improving a country's economy (in terms of world trade balance) Canada again chose to strengthen trading relations with the United States, the number one buyer of Canadian goods.



## Foreign Aid

Since World War II, Canada has provided large sums of money to aid Europe and developing countries in Africa, Asia and Latin America. Among major Western industrialized nations, the Canadian contribution has been one of the highest in proportion to her Gross National Product (GNP).

After the Second World War, a full-scale aid program was launched to rebuild the war-torn nations of Europe and Asia. In 1950 Canada helped establish the Colombo Plan to provide economic assistance to Asian and African members of the Commonwealth. In the 1970s the Canadian International Development Agency (CIDA) was spending over \$500 million annually on aid to more than fifty countries.

In recent years, with increasing economic problems at home, Canada has begun to question her aid policies. Many hold the view that foreign aid should not be thought of as a gesture of good will; but should be 'invested' in the hope of receiving return benefits. As Canada re-examines her traditional 'good guy' outlook, it will be difficult to resist the course taken by such wealthy nations as the U.S., West Germany and Japan who are reducing their spending on foreign aid.

Foreign Aid by Selected Industrial Countries

Country	% of GNP
Sweden .....	1.0
Netherlands .....	0.9
Norway .....	0.8
Denmark .....	0.6
CANADA .....	0.5
UK .....	0.4
Germany .....	0.3
U.S. ....	0.2
Japan .....	0.2
Italy .....	0.1

Source: Organization for Economic Cooperation and Development Surveys, Canada, 1979.

## ACTIVITY SIX: WORLD TRADING

### Objectives:

- To list reasons for Canadian options in world trade.
- To be aware of the various viewpoints concerning world trading agreements and foreign aid.

### Materials:

- Information, 'World Trade and Aid,' pp. 29-32.

### Procedures:

1. Students read and discuss Canadian imports and exports. Discuss the relationship between geographical location of Canada and the U.S., and Canada and the Orient, and the heavy flow of trade between these countries.
2. Students read information on 'Third Option' policy. List on the blackboard the trading options for Canada. Discuss reasons Canada might have for adopting each of the trading policies.
3. Have students respond to the following 'What If?' questions.
  - a. What if the Canadian government selects Option I? How might trade relations be different? How might these differences affect the U.S.?
  - b. What if the Canadian government selects Option II? How would world trade be different?
  - c. What if Canada rejects all three options in favor of a position of self-sufficiency? How would trade with U.S. be affected? Could Canada survive as a world nation?
4. Read information, 'Foreign Aid,' p. 32 and discuss:  
Should Canada (and other Western countries) expect to receive 'returns' from foreign aid given to developing countries?

### Notes for Teaching

The intent is to have students realize how participation in trading organizations, formulation of trade policies and attitudes towards foreign aid can influence the world outlook and policies of a nation. The activity is closely related to Activity Five and the simulation 'Negotiation' in the Appendix.

The proximity of the two countries reduces transportation costs for goods exchanged. In many cases there is no intervening nation which can supply goods more cheaply than we can for each other.

Every attempt should be made to promote class discussions of peoples' views and national interests in world trade and foreign aid.

When discussing Canadian trade options, the following points may be included. Option One allows Canadian industries to concentrate on existing markets. Option Two encourages Canadian industries to concentrate on production for the American market (e.g., newsprint). Option Three focuses efforts on new markets, both domestic (e.g., term machinery) and foreign (e.g., lumber).

The discussion of foreign trade is applicable to all Western nations. Students should be encouraged to express their views and give reasons.

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## **APPENDIX**

**ACTIVITY A: NEGOTIATION GAME**

**ACTIVITY B: OLYMPIC GAMES**

**ACTIVITY C: INTERNATIONAL OUTLOOK QUIZ**

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## ACTIVITY A: NEGOTIATION GAME

### Objectives:

- To identify trade items important to Canada and the United States.
- To know how trade relations among countries are negotiated.
- To be aware of Canadian and American viewpoints concerning world trade.

### Materials:

- Information, 'Trade in a Wild World,' p. 27.
- Information, 'Canada-U.S. Trade,' pp. 24-25.
- Information, Guidelines for Canada-U.S. Trade Negotiations, p. 37.

### Procedures:

See next page.

### Notes for Teaching

Negotiation is a simulation that illustrates trade relations between countries. The scenario is based on the GATT trade negotiations of the late 70s.

The intent of Negotiation is for students to realize the complex nature of trade negotiations between Canada and U.S. because of the heavy dependence of each upon the other.

Organization of the simulation Negotiation should be organized into three general parts:

1. Preparation--review world trade and the role of GATT in setting trade relations (see p.29).
2. Playing the game--involves group decision-making that often leads to an increased noise level and sometimes more student movement in the classroom. Students must understand the rules when playing a simulation.
3. Debriefing--provides a necessary 'stepping away' from the game and an opportunity to discuss the outcomes of the simulation.

Teachers should plan at least two periods to plan, play and discuss in detail the outcomes of Negotiation.

**ACTIVITY A: NEGOTIATION GAME (continued)**

**Procedures:**

1. Discuss with class their reading of 'Canada-U.S. Trade.' Conclude with a brainstorm session identifying typical Canadian goods exported to United States.
2. Discuss the issues of protectionism and free trade.
3. Divide the class into groups of approximately five students each. Identify each group as either American or Canadian trade negotiating teams. Provide 'Guidelines, U.S.-Canada Trade Negotiations,' p. 37.
4. Have groups assign trade items at high, medium, or low tariff rating, or designate as 'free trade.' Ask students to give reasons for their choice.
5. Pair American and Canadian teams for two or three negotiation sessions. Each session should last 8-10 minutes. All groups should understand that their purpose is to obtain the best deal by getting as many of their priority items assigned a low tariff or 'free trade.' Tell each group privately the priority items for negotiation. Encourage groups to arrange 'trade-offs,' i.e., one team agrees to accept items into their country at a low tariff rate if the other team meets similar tariff demands.
6. List on the blackboard the results of the negotiating sessions of both Canadian and American teams. Success will be indicated by low tariffs of priority items. An example listing for a successful Canadian team would be:
  - a. plywood 'low tariff'
  - b. automobile engine parts 'free trade'
  - c. nickel 'low tariff'
7. Have students write a paragraph summarizing Canada-U.S. trading practices and problems. Collect and discuss.

**Notes for Teaching (continued)**

Procedures for Negotiation require a class discussion of Canadian and American exports and group decisions on trading regulations.

This simulation illustrates the complexity of trade relations between countries. Having two teams allows students to play the role of Canadian and American negotiators. All groups receive the Negotiation Guidelines but be sure that groups discuss their tariff decisions separately. In addition, make the priority list of each group private information.

Class discussion of exports, protectionism and free trade can make reference to readings pp. 24-25.

Dividing the class into an even number of groups allows students to play the role of Canadian and American negotiators. All groups can receive 'Guidelines for Canada-U.S. Trade Negotiations.' Be sure that tariff ratings are assigned separately by each group. Class discussion of the reasons for the choice should not emphasize a right or wrong answer but rather the kind of reasons (e.g., to protect home industry).

The ratings used in the negotiation sessions are government priorities whereas early ratings are individual preferences. Each group [Canadian or American] must be informed of its priority items privately before negotiation begins. The priority is the order of goods listed for the opposing team to consider. For example, the top Canadian priority is auto parts, lumber and fish.

The blackboard listing of group results can be handled in a number of ways. The point to make is how a country tries to get a good deal by having as many of its items receive low tariffs from other countries but at the same time protect items produced in their country by high tariffs. Teachers should also stress the differences within each country over tariff policy. For example, Western Canadians will be more concerned over an American imposed tariff on beef cattle than Ontarians. On the other hand, Ontarians will oppose tariffs on car parts and manufactured items. The inevitable trade-offs that are made will effect different interest groups and regions differently.

In writing a paragraph, students should be encouraged to describe Canadian-American views of trading arrangements.

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## **Guidelines for Canada-U.S. Trade Negotiations**

### **Negotiation Guidelines for American Team**

You have been assigned to a group representing an American negotiating team. Below are a list of Canadian goods the Canadian team has indicated they want discussed. Your task is to decide whether the items should have low, medium, or high American tariffs. In addition, at least one item needs to be designated a 'free trade' item.

auto parts  
lumber  
fish  
whiskey  
logging machinery  
hand tools

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### **Negotiation Guidelines for Canadian Team**

You have been assigned to a group representing a Canadian negotiation team. Below are a list of American goods the American team has indicated they want discussed. Your task is to decide whether the items should have low, medium, or high Canadian tariffs. In addition, at least one item needs to be designated a 'free trade' item.

auto parts  
computers  
fruits and vegetables  
tractors  
overcoats  
beef cattle

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## ACTIVITY B: OLYMPIC GAMES

### Objectives:

- To compare the Canadian and American outlook of an international event.
- To be aware of the viewpoints concerning politics in world sports events.
- To analyze ways in which a viewpoint can be presented.

### Materials:

- 'Views of the 1980 Olympics Boycott,' p. 39.
- 'Canadian and American Positions on 1976 Olympics Dispute,' p. 40.
- 'Canadian and American Positions on 1980 Olympics Boycott,' p. 41.
- 'Two Views on Politics in Sports,' p. 42.

### Procedure:

1. Students read 'Views of the 1980 Olympics Boycott' and identify each view as:
  - a. for or against the boycott;
  - b. a Canadian or an American;
  - c. athlete or non-athlete.Students give reasons for their choice and identify the kinds of arguments reflected in the statements.
2. Tell students the sources of the Canadian and American viewpoints and compare with student choices. Discuss the outlooks.
3. Students read 'Canadian and American Positions on 1976 Olympics Dispute.' Summarize the similarities and differences of the Canadian and American views.
4. Students read 'Canadian and American Positions on 1980 Olympics Boycott.' Describe the outlook of Canada toward the 1976 and 1980 Olympic games in comparison to American position. Discuss reasons for a change in the Canadian positions.
5. Establish a class position about sports and world politics. Students read the 'Two Views on Politics in

Sports' and compare with class position. Reformulate the class position based on the reading and class discussion.

6. Each student write a letter to editor expressing their view and reasons for a position on how the Olympic games should be organized. Students can exchange letters.

### Notes for Teaching

This open-ended activity enables students and teachers to examine points of view concerning the mixing of politics and sports. Although materials focus on the Canadian outlook of 1976 and 1980 Olympic games, teachers can focus on any world sports events (i.e., hockey, soccer, track meets) to discuss the role of politics. The source of the views are listed in the sequence as they appear on 'Views of the 1980 Olympics Boycott' [p. 39].

Toronto Globe and Mail, 1/3/80, Lord Killanin, Chairman of International Olympic Committee  
The Vancouver Province, 2/3/80, Alex Hyde, a Canadian citizen  
The Vancouver Province, 4/23/80, Herding Rudd, a Canadian citizen  
Vancouver Sun, 1/28/80, Greg Joy, Canadian Olympic high jumper  
The New York Times, 1/20/80, Tracy Caulkins, American swimmer  
The New York Times, 1/20/80, Franklin Jacobs, American high jumper  
The New York Times, 1/20/80, Jimmy Carnes, American track coach  
The Vancouver Sun, 1/23/80, Janet Nuttar, Canadian Olympic diver

This activity can be used as a follow up to ACTIVITIES ONE and TWO or as a concluding activity for further examination of the Canadian outlook.

The intent of the first part of the activity is to understand Canadian and American views on the Olympics. Teachers should stress similarities and differences of viewpoints and discuss the reasons given. The second part of the activity should emphasize that Canada does not always follow the American position. Reasons for differences in positions between the two countries should be discussed. Students can write their own position as a class assignment.

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## Views of the 1980 Olympics Boycott

'I have always felt...that at times administrators, and even the IOC (International Olympic Committee), forgot that athletes come first, and in no way should be prevented from competing in international competition by political, racial or religious discrimination.'

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'Canada, among some 140 other nations of the world, signed the United Nations Declaration on Human Rights, in which Article 13 reads as follows: 'Everyone has the right to leave any country including his own, and the right to return to his country. To deny Canadian athletes the right to attend the Olympic Games violates and makes a mockery of the Canadian signature on this famous document. Russia was wrong in invading Afghanistan but two wrongs do not make a right.'

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'Many people have trained diligently for the Games; hundreds of thousands of fans are looking forward to seeing the games on TV, and many would go to Moscow as cheering supporters of our athletes. Surely there must be a more effective way of stopping the Russian action in Afghanistan outside of war and the danger of the ruin of our most wonderful world competition, the Olympics. What a joy to see so many nations and colors blend in friendship!'

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'I've been to the Olympics before and I want to go again. I've been in training for over nine years to set up the direction of my life and (the government) decision could change everything. The boycott idea is not a long term means of dealing with the crisis, and if it isn't, why are we using it? What's to prevent them from going back into Afghanistan the day after the Games are over?'

'It seems to me that politics has always entered into athletics and I don't think that's fair, but in a big event like the Olympics, it's inevitably going to be involved and athletes are going to be used as levers. It's sad to see that happen and hopefully it won't. I'm going to keep on training hard the way I have been. A lot of swimmers on our team talk about it and most of them feel pretty much the way I do. We just try not to let it bother us.'

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'Since I began high-jumping, winning the gold medal at the Olympics has been my primary objective. I can't tell you how many dreams I have had picturing myself on the victory stand with the gold medal draped around my neck and 'The Star Spangled Banner' playing in the background. I realize now I might not get to achieve my ambition this year. I just wish everyone could be at peace again.'

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'I want to see the Olympics go on. I feel very strongly that the United States should develop its sports program and show the world that a free society has the best system. At the same time, this is a very serious situation with Russia. It would be difficult to go into Russia and feel good about competing under the circumstances. If we are helping to support anything the Russians are doing, we have to consider and listen to President Carter.'

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'It upsets me to think the athletes are being used by politicians. I hope Canada does not boycott unless the situation gets really desperate. A tremendous amount of time and hard work has gone into an athlete's preparations and it would be unfair to us simply to boycott.'

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## Canadian and American Positions on 1976 Olympics Dispute

### Canadian Position

'Lausanne, Switzerland--The International Olympic Committee (IOC) Thursday protested to the Canadian government against its decision not to let athletes from Taiwan compete in the Olympic games under the flag or name of the Republic of China....

...Taiwanese athletes will not be allowed into the country unless they guarantee not to claim to be representatives of China....The Taiwanese athletes must guarantee that during the Games they will not use the flag, designation, symbol or name of the 'so-called Republic of China.'

*Vancouver Province  
July 2, 1976*

### American Position

'The United States threatened yesterday to pull its athletes out of the Montreal Olympics if the International Olympic Committee withdrew sanction from the July 17-through-August 1 competition.

Displeasure over Canada's threat to ban Taiwan from the Games unless it agreed not to call itself the Republic of China appeared to have touched off the American protest.

In a telegram sent to the Canadian Organizing Committee, the United States Olympic Committee urged 'immediate reconsideration' of the decision to restrict Taiwanese participation.

'The Games must remain free from international politics,' the

telegram from Philip O. Krumm, President of the U.S.O.C., read. 'If the Games are declared by the I.O.C. not to be 'official,' we seriously question our participation....'

According to official sources in Ottawa, Canada placed the restrictions on the Taiwanese team under pressure from mainland China. Canada recognized the Peking Government and severed diplomatic connections with Taiwan in 1970....'

*The New York Times  
July 3, 1976*

### American Reaction

'...When the 1976 Summer Games were awarded to Montreal, according to the International Olympic Committee, the Canadian government agreed to receive and give full and equal freedom to all teams from all countries whose Olympic committees are recognized by the I.O.C.

But now Canada--obviously acting under heavy pressure from Peking--has moved to block the participation of athletes from Taiwan so long as they call themselves representatives of the Republic of China....

Prime Minister Trudeau would be well advised to reconsider his apparent willingness to cave in to Peking's demand that the Olympics be subservient to international politics.'

*Editorial, The New York Times  
July 7, 1976*

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## **Canadian and American Positions on 1980 Olympics Boycott**

### **Canadian Position**

'Ottawa--The Liberal Government has finally decided to boycott the 1980 Moscow Olympics in retaliation for the Soviet Union's invasion of Afghanistan four months ago, although it will not try to deter individual Canadian athletes who may be determined to compete on their own.'

The long-awaited announcement of the Government's stand on the growing international movement to boycott this year's Olympics was made in the House of Commons yesterday by External Affairs Minister Mark MacGuigan. He said that the Soviet action in Afghanistan makes it 'wholly inappropriate to hold the Games in Moscow.'

Mr. MacGuigan said the Government does not intend to use coercion with either individual athletes or the Canadian Olympic Association to enforce the boycott by revoking passports or circumscribing 'the right of Canadians to travel freely abroad. But if Canadian athletes participate in Moscow they will do so without the moral and financial support of the Government of Canada.'

*Toronto Globe and Mail  
April 23, 1980*

### **American Position**

'Washington--President Jimmy Carter urged the International Olympic Committee yesterday to withdraw the 1980 Olympic Games from Moscow if the Soviets do not pull out all their troops from Afghanistan within a month.'

Mr. Carter said in his letter to the U.S. Olympic Committee that U.S. athletes should boycott the Moscow Games if the International Committee refused to act.

Officials said they could not imagine the U.S. Olympic Committee or a majority of the athletes defying a presidential recommendation on such a grave foreign policy issue....

*Toronto Globe and Mail  
March 21, 1980*

### **American Reaction to Canadian Position**

'Washington--Canada's decision to support a boycott of the Moscow Olympics comes as 'excellent news' to the United States, a State Department spokesman said yesterday.'

'The U.S. Government is enormously gratified by the Canadian Government's decision,' the spokesman said in an interview. 'We feel it is a courageous decision and the right one.'

Mr. Trudeau (the Canadian Prime Minister) said Canada would back a boycott only if it had enough support from Third World countries to teach the Soviet Union it could lose friends through such actions as the Afghanistan invasion. Yesterday, government officials said Canada will urge more Third World countries to participate in the boycott.'

*Toronto Globe and Mail  
April 23, 1980*

## Two Views of Politics in Sports

History shows that politics has had an influence on the Olympic Games. People have witnessed the killing of Israeli athletes at the Munich games (1972), the rejection of Taiwan athletes at the Montreal games (1976) and the boycott by Western countries of the Moscow games (1980). You might want to investigate further these and other political events. Here are two points of view about politics and the Olympic Games.

### First Point of View

'The current debate on 'Will Moscow be the Death of the Olympics?' overlooks one simple fact: the patient being discussed has been dead for many centuries.... In Ancient Greece wars were postponed so that the games could go on. Today there is a call for the games to be cancelled so that a cold war may continue. Sport has become a prisoner of nationalism.

The only way for the Olympics to be what they once were is to totally divorce the athletes from the countries that spawned them. That is easily done. The countries could continue to provide money to train and send their best to the games, but those men and women would go without national uniforms, without national flags, and should they win would do so without national anthems. Instead they would be just sportsmen bound together, not by their country of origin, but by their respective events.... It would not be 'Canada' or the 'United States' or 'England' that would be going, but 'runners,' 'swimmers' and 'jumpers' competing--not to do honor to their countries, but to do honor to their sport....

*David E. Lewis, Vancouver Sun  
February 28, 1980*

### Second Point of View

'The possibility of a boycott of the Moscow Olympic Games by the United States and other nations has resulted in a spate of public statements either supporting the boycott or deploring the very idea. Some, like your correspondent David E. Lewis suggest that the Games themselves have become corrupted over the years and that the entire concept warrants reappraisal.

Mr. Lewis presents a view to which he is, of course, entitled. But one of his main arguments is not correct.... His error is a very common one and concerns the ancient Olympic truce. It was not a truce in the sense that we understand it today.... In fact the truce was nothing more than an assurance that athletes and spectators travelling to and from the Games could pass through enemy territory unharmed. The truce never stopped a war!

One other point made by Mr. Lewis is that the modern Olympics can survive only if the athletes are disassociated from the politics of their own countries, just like those who participated in the ancient Games. Again, he argues from a popular misconception that the ancient Olympics were untainted by politics. On the contrary, the ancient Greeks used the Olympic festival for a wide variety of political purposes, including excessive glorification of a victor as a representative of his city, state, and there were at least two instances of city states boycotting the Games for political reasons.'

*Bélará Schrödt, Vancouver Sun  
March 5, 1980*

## ACTIVITY C: INTERNATIONAL OUTLOOK QUIZ

### **Objectives:**

- To evaluate students understanding of the international outlook of Canada.

### **Materials:**

- Copy of 'International Outlook Quiz.'

### **Procedure:**

1. Hand out to each student a copy of the quiz. Allow approximately fifteen minutes for the quiz.
2. After the quiz is marked, teachers can discuss with students their responses to the test items.

### **Notes for Teaching**

The intent of the quiz is to find out how much students know about Canadian world outlook. The quiz can be given to students as a test of how much they have learned from the unit. Administration of the quiz can be in a pre/post test format or simply as a quiz after students have studied the unit.

A second way of using the quiz is for students to find out how much they know before or after they have studied the unit. In this approach, students should not feel threatened by the quiz and should be encouraged to discuss the reasons for their selection of answers. The inclusion of 'I don't know' reduces the feeling of threat.

Answers for the quiz are listed below.

1. B
2. B
3. A
4. C
5. B
6. B
7. A
8. B
9. A
10. C
11. B
12. D
13. A
14. D
15. D

## QUIZ ON INTERNATIONAL OUTLOOK

Circle the letter that represents the best answer to each of the following quiz statements. If you have no idea of what is the best answer, circle letter 'E' for 'I don't know.'

1. A country's international outlook is often formalized by:

- A. a government constitution
- B. a foreign policy
- C. cultural events
- D. trade relations
- E. I don't know

2. Canada's financial contributions to the United Nations ranks:

- A. third
- B. ninth
- C. eleventh
- D. sixteenth
- E. I don't know

3. The major purpose of the Commonwealth of Nations is:

- A. to promote economic and cultural affairs
- B. to control nuclear proliferation
- C. to establish defense policy
- D. to provide economic aid
- E. I don't know

4. The Canadian/American defense arrangement for North America is known as:

- A. G.A.T.T.
- B. A.B.M.
- C. N.O.R.A.D.
- D. N.A.T.O.
- E. I don't know

5. The Greenpeace Foundation is:

- A. a government agency
- B. an environmental organization
- C. a United Nations organization
- D. an outcome of Canada/U.S. cooperation
- E. I don't know

6. Canada intends to achieve energy self-sufficiency by:

- A. 1985
- B. 1990
- C. 2000
- D. 2050
- E. I don't know

7. A North American energy distribution system does not appeal to most Canadians because they believe:

- A. energy is needed in Canada
- B. the best policy is to sell it to the highest bidder
- C. the environment will suffer
- D. nuclear energy will meet future needs
- E. I don't know

8. Many Canadians disagree with the U.S. nuclear weapons system because they:

- A. want to develop their own
- B. believe it is unnecessary
- C. feel it is too costly
- D. I don't know

9. Which government organization is responsible for oil and gas exploration in frontier areas in Canada?

- A. Petrocan
- B. GATT
- C. North South Institute
- D. NORAD
- E. I don't know

10. Canada exports most of its goods to:

- A. Great Britain
- B. Japan
- C. United States
- D. France
- E. I don't know

11. Protectionism refers to:

- A. a country's ability to defend itself militarily
- B. protection of home industry from foreign competition
- C. conservation of natural resources
- D. policies concerning nuclear weaponry
- E. I don't know

12. The Third Option is a Canadian policy that encouraged:

- A. integration of trade with the U.S.
- B. maintenance of status quo in world trade relations
- C. closer trade relations with the Commonwealth
- D. stronger trading ties with European and Asian countries
- E. I don't know

13. Canadian foreign aid expenditures in proportion to GNP, have been:

- A. one of the highest among western nations
- B. one of the lowest among western nations
- C. much lower than the U.S.
- D. eliminated since 1970
- E. I don't know

14. The country from which Canada imports the most is:

- A. UK
- B. USSR
- C. Japan
- D. United States
- E. Venezuela

15. The Foreign Investment Review Agency:

- A. approves Canadian investment in other countries
- B. represents Canada at GATT negotiations
- C. recommends overseas investments to the Canadian government
- D. regulates foreign control of companies in Canada
- E. I don't know

## TEACHER REFERENCES FOR INTERNATIONAL OUTLOOK

Bowles, Richard et al. (eds.) Canada and the U.S.: Continental Partners or Wary Neighbors? Scarborough Ontario: Prentice-Hall, 1973.

The editors cover wide ranging topics on cultural, economic, and political relations, both in their contemporary and historical setting. A good source book for teachers.

Clark, Robert J. et al. Canadian Issues and Alternatives. Toronto: Macmillan, 1974.

A textbook which examines a variety of Canadian issues. Unit 3 is entitled 'The American and Us'; unit 4 examines Canada's role in world affairs.

Clement, Wallace. Continental Corporate Power: Economic Linkage Between Canada and the United States. Toronto: McClelland and Stewart, 1977.

This book presents the thesis that Canada is dominated by multinational companies. The book is of interest to teachers but may not be suitable as a student text.

Fox, Annette. Hero, Alfred. Nye, Joseph (eds.) Canada and the United States: Transnational and Transgovernmental Relations. New York: Columbia University Press, 1976.

A collection of essays on Canada-U.S. relations which focus on the interdependence between the countries. Useful for teachers.

Lyon, Peyton. Tomlins, Brian. Canada As An International Actor. Toronto: Macmillan, 1979.

A look at Canada's image as seen by outside 'experts.' They rated Canada's military power, economic strength and political influence in the world.

McDeirtt, Daniel. Scully, Angus. Smith, Carl. Canada Today. Scarborough: Prentice-Hall, 1979.

Written for the secondary school audience, this text looks at five themes in Canadian studies. The theme on Canadian-U.S. relations focuses on economics and culture. (A teacher's guide is available.)

North-South Institute. North-South Encounter: The Third World and Canadian Performance. Ottawa: North-South Institute, 1977.

This publication examines and 'grades' the performance of Canada (North) in its relations with the poorer countries of the 'South.'

Saywell, John. Canada Past and Present. Toronto: Clarke, Irwin, 1969.

(Available from Canadian Consulate offices in the United States.) A useful brief survey of Canada.

Skidmore, Darrel R. Canadian-American Relations. Toronto: Wiley, 1979.

A readable student text dealing with the economic, political and cultural relations between Canada and the U.S.

Tomlin, Brian. Canada's Foreign Policy: Analysis and Trends. Toronto: Methuen, 1978.

A collection of essays dealing with Canada's world relations. Four essays focus on U.S. relations. Not a student text.

For information on the five units write to:

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